Financial Statements
Duncton Group Limited

For the year ended 31 December 2013

Registered number: 6308608

Company Information

Registered number	6308608
Registered office	Wenham Manor Barn Petersfield Road Rogate West Sussex GU31 5AY
Directors	J R Crosby B T K Davis E J A fforde O D Harris D A Hoare S D K Law P Minter
Company secretary	S D K Law
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor No 1 Dorset Street Southampton Hampshire SO15 2DP

Contents

Directors' Report
For the year ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Results and dividends

The profit for the year, after taxation, amounted to £4,107,242 (2012 - £207,592).

A dividend of £248,261 in respect of the year ended 31 December 2012 was paid during 2013.

Directors

The directors who served during the year were:

J R Crosby
B T K Davis
E J A fforde
O D Harris
D A Hoare
S D K Law
P Minter

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report

For the year ended 31 December 2013

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report which also includes the group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit and liquidity risk.

The group has considerable financial resources and the forecasts and projections to 31 December 2016 which take into account reasonably possible changes in trading performance show that the group will be able to operate within its current facilities. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 9 May 2014 and signed on its behalf.

P Minter
Director

Group Strategic Report

For the year ended 31 December 2013

Principal activities

The principal activity of the company during the year is that of a holding company. The principal activity of the company's subsidiaries is the financing and hiring of motor vehicles to individuals and companies.

Business review

During the year the group wrote 9,213 new contracts (2012: 6,581) and increased the portfolio of loan contracts from 11,000 to 17,069. This growth was achieved through:

- the continued development of our intermediary relationships;
- enhanced computer systems leading to more streamlined quoting and new business processes; and
- the continuing ready availability of funding to the group.

The group has continued to invest in upgrading its computer systems both to win new business and to improve operational efficiency. This has involved some considerable research and development in order to develop a system tailored to our needs and capable of managing materially greater volumes.

The group has seen further growth and increased profitability during 2013. Of particular note during 2013:

- Improved processes and strengthened management have resulted in tighter control over impaired debtors
- The current underwriting model developed in 2010 continues to perform consistently and select risk well
- Default rates continue to run at historical low rates
- Customer early settlements are an increasing feature of the business

The 2013 accounts have for the first time been presented on a basis most suited to the nature of the finance contracts which now dominate the portfolio. This means that for the substantial majority of contracts, revenue shown is interest earned rather than capital and interest received, with a consequential adjustment to cost of sales. The 2012 comparative figures have been restated on this basis. There is no effect on the profit and loss account below gross profit.

Principal risks and uncertainties

The main risk faced by the business is the possibility that customers will fail to honour their contracts and the market value of the underlying vehicle will be insufficient security to cover the customer's outstanding liabilities. To mitigate this risk, the group has developed strong underwriting, loan to value and credit control policies, as well as efficient disposal processes.

The group is financed primarily by third party loans, but is not considered to be exposed to material finance risk as the loans are each at fixed rates.

Financial key performance indicators

Key performance indicators for the group include the value of new business written and the value of business lost through premature termination of contracts, whether instigated by the customer or by the group for non-compliance by a customer with his contractual obligations. The collection of amounts due from debtors is also a key performance indicator, and a core competence of the business. The directors closely monitor all key performance indicators and where relevant factor these into the determination of bad and doubtful debt provisioning levels.

Group Strategic Report (continued)

Financial risk management objectives and policies

The group has various financial instruments, such as loans and cash, and various assets and liabilities of a contractually defined monetary amount, such as debtors and creditors arising from its operations that expose the group to financial risks. These risks, together with the management policies used to manage them, are described below.

Interest rate risk
The group's funding is mainly provided by a mixture of retained earnings and bank borrowings and other borrowings. The risk that the cost of funding customer contracts could differ during their term from the cost of funding assumed in pricing the contracts is minimised by the group having negotiated fixed interest rates over the terms of its loans

Price risk
The group only enters into contracts with customers on the basis of pre-agreed purchase prices for the vehicles that will be the subject of the contracts so the group has no exposure in that regard. The expected residual value of the vehicle at the termination of the contract, which can be a significant element in pricing the customer contract, is assessed conservatively against independent forecasts, although there can be significant short term volatility in used vehicle pricing. The risks of contracts being terminated early, which could result in insufficient income being earned to cover fixed overheads, is also taken into account in contract pricing based on past experience

Credit risk
The group operates a number of policies and procedures designed to mitigate credit risk, although the acceptance of moderate credit risk is central to the group's business. In particular, before entering into a transaction with a customer a rigorous set of customer identification and credit checks is performed to determine whether or not the customer has the ability to meet its debts as they fall due. In the event of customer default, the group's credit control policies ensure swift action is taken and, where appropriate, will seek security in the form of charging orders over a customer's property.

Liquidity and cash flow risk
The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Regular cash flow forecasts are undertaken to monitor the cash position and to determine the liquidity of the group. The directors then ensure that there are sufficient liquid funds available to ensure that there is no risk of the group being unable to pay its debts as they fall due.

Matters of strategic importance

Change of industry regulator
In April 2014, the FCA take over the role of regulator from the OFT.
The FCA has introduced a new Interim Permission that will replace the OFT CCA Licence from 1st April 2014. All Moneybarn trading companies have obtained Interim Permission and the FCA has set a date for Moneybarn's application for full approval in December 2015. The Duncton Group, incorporating the Moneybarn business, is well positioned for full compliance with the FCA regime.

New business premises
At the end of April 2014 the group will be moving to bigger premises in Petersfield. Considerable benefits are expected to flow from this including improved efficiency and more reliable systems. The financial statements as at 31 December 2013 reflect an onerous lease provision as a result of the move from our existing premises.

Group Strategic Report (continued)

This report was approved by the board on 9 May 2014 and signed on its behalf.

P Minter
Director

Independent Auditor's Report to the Members of Duncton Group Limited

We have audited the financial statements of Duncton Group Limited for the year ended 31 December 2013, which comprise the consolidated Profit and loss account, the consolidated and company Balance sheets, the consolidated Cash flow statement and reconciliation of net cash flow to movement in net funds/debt and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Grant Thornton

Independent Auditor's Report to the Members of Duncton Group Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Norman Armstrong (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Southampton

13 May 2014

Consolidated Profit and Loss Account

For the year ended 31 December 2013

	Note	2013 £	Restated 2012 £
Turnover	1,2	**29,457,989**	19,424,347
Cost of sales		**(6,660,014)**	(8,770,841)
Gross profit		**22,797,975**	10,653,506
Administrative expenses		**(5,813,959)**	(2,686,414)
Operating profit	3	**16,984,016**	7,967,092
Interest receivable and similar income		**68,120**	892
Interest payable and similar charges	6	**(11,516,893)**	(7,538,956)
Profit on ordinary activities before taxation		**5,535,243**	429,028
Tax on profit on ordinary activities	7	**(1,428,001)**	(221,436)
Profit for the financial year	19	**4,107,242**	207,592

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 13 to 29 form part of these financial statements.

Consolidated Balance Sheet
As at 31 December 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Intangible assets	8		**5,169,910**		5,544,210
Tangible assets	9		**884,451**		3,937,356
			6,054,361		9,481,566
Current assets					
Stocks	12	**88,547**		60,112	
Debtors: amounts falling due after more than one year	13	**77,840,528**		49,746,593	
Debtors: amounts falling due within one year	13	**58,241,426**		40,814,730	
Cash at bank		**9,330,784**		3,668,663	
		145,501,285		94,290,098	
Creditors: amounts falling due within one year	14	**(59,447,323)**		(39,388,683)	
Net current assets			**86,053,962**		54,901,415
Total assets less current liabilities			**92,108,323**		64,382,981
Creditors: amounts falling due after more than one year	15		**(81,189,990)**		(57,625,395)
Provisions for liabilities					
Deferred tax	16	**(95,766)**		-	
Other provisions	17	**(245,250)**		(39,250)	
			(341,016)		(39,250)
Net assets			**10,577,317**		6,718,336

Consolidated Balance Sheet (continued)

As at 31 December 2013

			2013		2012
	Note	£	£	£	£
Capital and reserves					
Called up share capital	18		**10,989,000**		10,989,000
Profit and loss account	19		**(411,683)**		(4,270,664)
Shareholders' funds	20		**10,577,317**		6,718,336

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 May 2014.

P Minter
Director

The notes on pages 13 to 29 form part of these financial statements.

Company Balance Sheet
As at 31 December 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Investments	10		**10,000,000**		10,000,000
Current assets					
Debtors	13	**936,184**		873,538	
Cash at bank		**192,073**		38,617	
		1,128,257		912,155	
Creditors: amounts falling due within one year	14	**(101,775)**		(39,118)	
Net current assets			**1,026,482**		873,037
Total assets less current liabilities			**11,026,482**		10,873,037
Creditors: amounts falling due after more than one year	15		**(16,246)**		(14,874)
Net assets			**11,010,236**		10,858,163
Capital and Reserves					
Called up share capital	18		**10,989,000**		10,989,000
Profit and loss account	19		**21,236**		(130,837)
Shareholders' funds	20		**11,010,236**		10,858,163

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 May 2014.

P Minter
Director

The notes on pages 13 to 29 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	22	**(27,420,113)**	(26,688,267)
Returns on investments and servicing of finance	23	**(11,088,693)**	(7,329,015)
Taxation		**(162,756)**	(6,491)
Capital expenditure and financial investment	23	**2,033,324**	2,278,666
Equity dividends paid		**(248,261)**	-
Cash outflow before financing		**(36,886,499)**	(31,745,107)
Financing	23	**42,548,620**	30,574,282
Increase/(Decrease) in cash in the year		**5,662,121**	(1,170,825)

Reconciliation of Net Cash Flow to Movement in Net Funds/Debt

For the year ended 31 December 2013

	2013 £	2012 £
Increase/(Decrease) in cash in the year	**5,662,121**	(1,170,825)
Cash inflow from increase in debt and lease financing	**(42,548,620)**	(30,574,282)
	-	-
Non cash item: debt settled by equity issue	-	-
Non cash item: waiver of loan interest	-	-
Movement in net debt in the year	**(36,886,499)**	(31,745,107)
Net debt at 1 January 2013	**(91,084,967)**	(59,339,860)
Net debt at 31 December 2013	**(127,971,466)**	(91,084,967)

The notes on pages 13 to 29 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisitions method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

1.3 Turnover

Hire purchase agreements to customers (contract purchase)

For contracts written up to 31 December 2009, where there had been a significant administration cost in setting up a contract and performing the necessary credit, guarantor and identification checks, the group recognised as income a portion of the initial deposit placed by the customer at the inception of a contract followed by monthly rentals recognised on a straight line basis.

For contracts written since 1 January 2010, in line with changed customer covenants and new systems for establishing credit ratings, hire purchase rentals are apportioned between repayments of capital and interest so that revenue is recognised over the lease term to provide a constant periodic rate of return on the net investment in the hire purchase agreements.

Operating lease - to customers (contract hire)

Rental income under contract hire is recognised on a straight line basis over the period of the contract.

Excess mileage

At the end of each year the directors review the accumulated excess mileage incurred on the fleet and include an element of the estimated accrued contractual receivable as a debtor.

Interest and penalties

Interest and penalties charged to customers arising on settlement or default are recognised when receipt of payment is considered certain.

Turnover is recognised exclusive of VAT.

Notes to the Financial Statements

For the year ended 31 December 2013

1. Accounting Policies (continued)

1.4 Turnover, cost of sales and administration expenses

The proportion of contracts originated since 1 January 2010 are now significantly greater than those originated prior to 31 December 2009 and therefore the directors consider it is now more appropriate to recognise only the interest received as turnover in the year compared to the recognition of total repayments as revenue and the capital element of those repayments as cost of sales. In addition, the company has re-categorised certain costs from administrative expenses to cost of sales as the directors considered these costs are more attributable to the costs of leasing rather than overheads of the business.

The comparative figures have been similarly revised. This has had no effect on the operating result for either the current year or the prior year.

1.5 Debtors

Debtors are stated in the balance sheet at estimated net realisable value. Net realisable value is the invoiced amount less provisions for bad and doubtful debts. Provisions are made specifically against debts where there is evidence of dispute or an inability to pay.

Origination fees

Fees and direct costs relating to the origination of agreements are amortised over the life of the contract.

1.6 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	over the term of the lease
Fixtures & fittings	-	33% reducing balance
Contract hire vehicles	-	over the term of the contract on cost
Computer equipment	-	33% straight line
Contract purchase vehicles	-	over the term of the contract on cost

Notes to the Financial Statements
For the year ended 31 December 2013

1. Accounting Policies (continued)

The term of contract purchase and contract hire contracts can vary depending on the period requested by each customer.

Fixed assets include all vehicles which are the subject of contract hire agreements, vehicles which are the subject of contract purchase agreements signed prior to 31 December 2009 and vehicles held for sale or re-contracting.

Contract purchase vehicles also includes incidental costs of ensuring that vehicles are available for rental to customers, including preparation costs and external commissions payable.

To 31 December 2009 the group's experience had been a high incidence of early terminations and customers infrequently completed all the payments due under their agreements and therefore the group bore the risks and rewards of ownership for vehicles under these agreements. To enable the accounts to give a true and fair view, vehicles under contract purchase agreements written up to 31 December 2009 are included in fixed assets to reflect the commercial reality of the agreements entered into. From 1 January 2010, in line with changed customer covenants and new systems for establishing credit ratings, the directors consider the risks and rewards of ownership are now substantially borne by the customer and therefore account for vehicles under contract purchase agreements written since 1 January 2010 by including the net cash investment in debtors, in accordance with SSAP 21.

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

1.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.11 Provisions

Provisions are recognised when a present obligation exists as a result of a past event and it is probable that this will result in an outflow of economic benefit, the size of which can be reliably estimated.

Notes to the Financial Statements
For the year ended 31 December 2013

1. Accounting Policies (continued)

1.12 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.14 Financial instruments

Classification as equity or financial liability

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to recognise a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

Compound instruments

Compound instruments comprise both a liability and an equity component. The elements of a compound instrument are classified in accordance with their contractual provisions. At the date of issue, the liability component is recorded at fair value, which is estimated using the prevailing market interest rate for a similar debt instrument without the equity feature. Thereafter, the liability component is accounted for as a financial liability in accordance with the accounting policy set out above.

Notes to the Financial Statements
For the year ended 31 December 2013

2. Turnover

The whole of the turnover is attributable to the one principal activity of the group.

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging:

	2013 £	2012 £
Amortisation - intangible fixed assets	**374,300**	374,306
Depreciation of tangible fixed assets:		
- owned by the group	**975,402**	2,611,575
Auditor's remuneration	**45,000**	43,750
Auditor's remuneration - taxation services	**5,250**	5,000
Operating lease rentals:		
- land and buildings	**92,503**	92,500
Loss on disposal of fixed assets	**44,179**	3,488

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	**2,777,042**	2,208,562
Social security costs	**295,966**	233,029
Other pension costs	**63,292**	59,736
	3,136,300	2,501,327

The average monthly number of employees, including the directors, during the year was as follows:

2013 No.	2012 No.
82	60

Notes to the Financial Statements
For the year ended 31 December 2013

5. Directors' remuneration

	2013	2012
	£	£
Remuneration	**533,387**	553,760
Company pension contributions to defined contribution pension schemes	**17,698**	19,421

During the year retirement benefits were accruing to 3 directors (2012 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £220,544 (2012 - £215,093).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,975 (2012 - £7,800).

During the year one director (2012: no directors) became entitled to receive shares under a long-term incentive scheme (see note 18). No share options were exercised in the year.

6. Interest payable

	2013	2012
	£	£
Loan interest	**11,516,893**	7,538,956

7. Taxation

	2013	2012
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	**1,222,416**	12,770
Adjustments in respect of prior periods	**(1,192)**	(6,541)
Total current tax	**1,221,224**	6,229
Deferred tax (see note 16)		
Origination and reversal of timing differences	**206,777**	215,207
Tax on profit on ordinary activities	**1,428,001**	221,436

Notes to the Financial Statements
For the year ended 31 December 2013

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013	2012
	£	£
Profit on ordinary activities before tax	**5,535,243**	429,028
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	**1,286,944**	105,112
Effects of:		
Expenses not deductible for tax purposes	**113,613**	103,134
Depreciation for year in excess of capital allowances	**1,127**	47,442
Utilisation of tax losses	**(249,721)**	(362,974)
Adjustments to tax charge in respect of prior periods	**(1,192)**	(6,541)
Short term timing difference leading to an increase in taxation	**2,407**	-
Timing differences on contract purchase income	**97,104**	127,127
Adjustment in research and development tax credit leading to a decrease in the tax charge	**(29,058)**	-
Tax assessed at a lower rate	**-**	(7,071)
Current tax charge for the year (see note above)	**1,221,224**	6,229

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

8. Intangible fixed assets

	Goodwill
Group	£
Cost	
At 1 January 2013 and 31 December 2013	**7,486,128**
Amortisation	
At 1 January 2013	**1,941,918**
Charge for the year	**374,300**
At 31 December 2013	**2,316,218**
Net book value	
At 31 December 2013	**5,169,910**
At 31 December 2012	5,544,210

Notes to the Financial Statements

For the year ended 31 December 2013

9. Tangible fixed assets

Group	Contract purchase vehicles £	Fixtures & fittings £	Contract hire vehicles £	Computer equipment £	Leasehold improve-ments £	Total £
Cost						
At 1 January 2013	**8,860,155**	**383,524**	**2,515,394**	**-**	**43,264**	**11,802,337**
Additions	**-**	**181,435**	**78,701**	**30,000**	**-**	**290,136**
Disposals	**(7,016,946)**	**(215,529)**	**(1,465,316)**	**-**	**-**	**(8,697,791)**
At 31 December 2013	**1,843,209**	**349,430**	**1,128,779**	**30,000**	**43,264**	**3,394,682**
Depreciation						
At 1 January 2013	**6,326,960**	**196,938**	**1,306,409**	**-**	**34,674**	**7,864,981**
Charge for the year	**574,750**	**87,297**	**305,688**	**-**	**7,667**	**975,402**
On disposals	**(5,223,140)**	**(171,350)**	**(935,662)**	**-**	**-**	**(6,330,152)**
At 31 December 2013	**1,678,570**	**112,885**	**676,435**	**-**	**42,341**	**2,510,231**
Net book value						
At 31 December 2013	**164,639**	**236,545**	**452,344**	**30,000**	**923**	**884,451**
At 31 December 2012	2,533,195	186,586	1,208,985	-	8,590	3,937,356

The cost of tangible fixed assets includes an amount of £1,128,799 (2012: £4,039,629) for assets held in respect of operating leases and short hire income. The accumulated depreciation on these assets for the year was £305,688 (2012: £35,025).

10. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2013 and 31 December 2013	**10,000,000**
Net book value	
At 31 December 2013	**10,000,000**
At 31 December 2012	10,000,000

Details of the principal subsidiaries can be found under note number 11.

Notes to the Financial Statements
For the year ended 31 December 2013

11. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Moneybarn Group Limited	England and Wales	100	Intermediate holding company
Moneybarn No. 1 Limited **	England and Wales	100	Vehicle leasing
Moneybarn plc **	England and Wales	100	Vehicle leasing
Moneybarn Vehicle Finance Limited **	England and Wales	100	Dormant
Moneybarn No. 4 Limited	England and Wales	100	Dormant

** Shares held by Moneybarn Group Limited

12. Stocks

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Vehicles for resale	**88,547**	60,112	**-**	-

13. Debtors

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Due after more than one year				
Prepayments and accrued income	**2,990,401**	1,867,843	**-**	-
Amounts recoverable on long term contracts	**74,850,127**	47,878,750	**-**	-
	77,840,528	49,746,593	**-**	-

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Due within one year				
Trade debtors	**12,180,341**	11,280,208	**-**	-
Amounts owed by group undertakings	**-**	-	**936,059**	873,409
Amounts owed by related parties	**3,979**	4,499	**-**	-
Other debtors	**68,232**	330,282	**-**	-
Prepayments and accrued income	**4,561,020**	2,822,294	**125**	129
Amounts recoverable on long term contracts	**41,427,854**	26,266,436	**-**	-
Deferred tax asset (see note 16)	**-**	111,011	**-**	-
	58,241,426	40,814,730	**936,184**	873,538

Notes to the Financial Statements

For the year ended 31 December 2013

14. Creditors: Amounts falling due within one year

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Loans	**56,112,259**	37,128,235	**-**	-
Payments received on account	**-**	415,964	**-**	-
Trade creditors	**189,489**	111,448	**-**	-
Amounts owed to group undertakings	**-**	-	**101,775**	39,118
Corporation tax	**1,215,928**	157,460	**-**	-
Other taxation and social security	**101,021**	216,935	**-**	-
Other creditors	**57,879**	57,610	**-**	-
Accruals and deferred income	**1,770,747**	1,301,031	**-**	-
	59,447,323	39,388,683	**101,775**	39,118

15. Creditors: Amounts falling due after more than one year

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Loans	**81,173,744**	57,610,521	**-**	-
Share capital treated as debt (Note 18)	**16,246**	14,874	**16,246**	14,874
	81,189,990	57,625,395	**16,246**	14,874

Disclosure of the terms and conditions attached to the non-equity shares is made in note 18.

Included within the above are amounts falling due as follows:

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Between two and five years				
Loans	**81,173,744**	57,610,521	**-**	-

Notes to the Financial Statements
For the year ended 31 December 2013

15. Creditors: Amounts falling due after more than one year (continued)

On 12 November 2010 new loan facilities were negotiated with the Octopus Group. The loan is secured by fixed and floating charged over the assets of Moneybarn Group Limited and its subsidiary undertakings.

Of the facilities in place pre refinancing, £4,326,147 (2012: £5,900,000) remains outstanding. This is secured on those debtors that existed prior to the new facilities.

The loans will be repaid in a specified order. The directors have calculated an estimate of the timing of those repayments based upon cashflow forecasts and this has determined the ageing analysis of the borrowings as at 31 December 2013 and 31 December 2012.

16. Deferred taxation

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
At beginning of year	**111,011**	96,145	**-**	-
(Charge for)/released during the year (P&L)	**(206,777)**	14,866	**-**	-
At end of year	**(95,766)**	111,011	**-**	-

The deferred taxation balance is made up as follows:

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Accelerated capital allowances	**(68,343)**	63,629	**-**	-
Tax losses brought forward	**-**	213,562	**-**	-
Short term timing differences	**164,109**	(166,180)	**-**	-
	95,766	111,011	**-**	-

Notes to the Financial Statements

For the year ended 31 December 2013

17. Provisions

Group	Dilapidation provision £	Onerous lease provision £	Total £
At 1 January 2013	39,250	-	39,250
Additions	6,000	200,000	206,000
At 31 December 2013	45,250	200,000	245,250

Dilapidation provision

The dilapidation provision comprises the estimated cost of returning the leased premises to their original condition at the end of the lease term.

Onerous lease provision

The onerous lease provision is the estimated rental cost remaining of leased premises to the end of the lease term.

The Company has no provisions

18. Share capital

	2013 £	2012 £
Shares classified as capital		
Allotted, called up and fully paid		
3 'A' Ordinary shares of £0.01 each	-	-
10,989,000 'E' Ordinary shares of £1 each	10,989,000	10,989,000
1 'F' Ordinary share of £0.01	-	-
	10,989,000	10,989,000
Shares classified as debt		
Allotted, called up and fully paid		
1,222,222 'B' Ordinary shares of £0.01 each	12,222	12,222
402,426 (2012 - 265,245) 'D' Ordinary shares of £0.01 each	4,024	2,652
	16,246	14,874

Notes to the Financial Statements
For the year ended 31 December 2013

18. Share capital (continued)

During the year the company allotted 141,181 'D' Ordinary shares at par. On 29 January 2014 the company allotted a further 41,191 'D' Ordinary shares.

Share options
On 18 March 2013 the group granted 25,862 share options to various employees, including directors, offering them the chance to acquire 'B' Ordinary £0.01 shares. The price payable to acquire a share under the option is £2.32. These options are exercisable at the option of the holder between 2016 and 2023. No options were exercised during the year.

The requirements of Financial Reporting Standard No 20, Share-based Payment, have not been applied in these financial statements as the directors consider that any charge arising from the determination of the fair value of the options as at the date of grant in March 2013 would be immaterial.

Rights of classes of shares
A Shares; do not carry any rights to receive notice of, attend and vote at Shareholders' meetings. The holders of the A shares are not entitled to receive any dividends or distributions.

B shares and D shares; carry a right to receive notice of, attend and vote at meetings. The holders of the B shares and D shares are entitled to receive all distributions made by the company. On a return of capital on a liquidation, the surplus assets of the Company remaining after satisfaction of its then outstanding liabilities are to be distributed in cash to Shareholders in a specified order, as set out in the company's Articles of Association.

E Shares; do not carry any rights to receive notice of, attend and vote at Shareholders' meetings. The holders of the E shares are not entitled to receive any dividends or distributions.

F Share; does not carry any rights to receive notice of, attend and vote at Shareholders' meetings nor are they entitled to receive any dividends or distributions.

Shares classified as financial liabilities

Subject to any legal, regulatory or contractual constraints and subject to directors' compliance with their fiduciary duties, the B and D shareholders are entitled to receive fixed rates of dividend for the year ending 31 December 2011 and each year thereafter. In accordance with FRS25 the future entitlement to a fixed dividend for the B and D shares creates a compound instrument, however the rights on liquidation do not give rise to any substantial interest in the residual capital. The directors have therefore concluded that the equity component of the B and D shares will be insignificant in all scenarios such that it is appropriate to recognise the B and D shares as liability instruments, rather than compound instruments.

19. Reserves

	Profit and loss account
Group	**£**
At 1 January 2013	**(4,270,664)**
Profit for the financial year	**4,107,242**
Dividends: Equity capital	**(248,261)**
At 31 December 2013	**(411,683)**

Notes to the Financial Statements

For the year ended 31 December 2013

19. Reserves (continued)

	Profit and loss account
Company	**£**
At 1 January 2013	**(130,837)**
Profit for the financial year	**400,334**
Dividends: Equity capital	**(248,261)**
At 31 December 2013	**21,236**

20. Reconciliation of movement in shareholders' funds

	2013	2012
Group	**£**	£
Opening shareholders' funds	**6,718,336**	6,510,744
Profit for the financial year	**4,107,242**	207,592
Dividends (Note 21)	**(248,261)**	-
Closing shareholders' funds	**10,577,317**	6,718,336

	2013	2012
Company	**£**	£
Opening shareholders' funds	**10,858,163**	10,858,201
Profit/(loss) for the financial year	**400,334**	(38)
Dividends (Note 21)	**(248,261)**	-
Closing shareholders' funds	**11,010,236**	10,858,163

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit/(loss) for the year dealt with in the accounts of the company was £400,334 (2012 - £38).

21. Dividends

	2013	2012
	£	£
Dividends paid on equity capital	**248,261**	-

Notes to the Financial Statements
For the year ended 31 December 2013

22. Net cash flow from operating activities

	2013	2012
	£	£
Operating profit	16,984,016	7,967,092
Amortisation of intangible fixed assets	374,300	374,306
Depreciation of tangible fixed assets	975,402	2,611,575
Loss on disposal of tangible fixed assets	44,179	3,488
Increase in stocks	(28,435)	(13,825)
Increase in debtors	(45,632,168)	(38,039,937)
Decrease in amounts owed by related parties	520	3,501
(Decrease)/increase in creditors	(343,927)	399,533
Increase in provisions	206,000	6,000
Net cash outflow from operating activities	**(27,420,113)**	(26,688,267)

23. Analysis of cash flows for headings netted in cash flow statement

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	68,120	892
Interest paid	(11,156,813)	(7,329,907)
Net cash outflow from returns on investments and servicing of finance	**(11,088,693)**	(7,329,015)

	2013	2012
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(290,136)	(326,111)
Sale of tangible fixed assets	2,323,460	2,604,777
Net cash inflow from capital expenditure	**2,033,324**	2,278,666

	2013	2012
	£	£
Financing		
New secured loans	53,889,814	30,573,059
Repayment of loans	(11,342,566)	-
Issue of shares treated as debt	1,372	1,223
Net cash inflow from financing	**42,548,620**	30,574,282

Notes to the Financial Statements

For the year ended 31 December 2013

24. Analysis of changes in net debt

	1 January 2013	Cash flow	Other non-cash changes	31 December 2013
	£	£	£	£
Cash at bank and in hand	3,668,663	5,662,121	-	9,330,784
Debt:				
Debts due within one year	(37,128,235)	(42,548,620)	23,564,595	(56,112,260)
Debts falling due after more than one year	(57,625,395)	-	(23,564,595)	(81,189,990)
Net debt	(91,084,967)	(36,886,499)	-	(127,971,466)

25. Major non-cash transactions

There were no non-cash transactions in the year.

26. Contingent liabilities

At 31 December 2013 Moneybarn Group Limited, Moneybarn No. 1 Limited, Moneybarn Vehicle Finance Limited and Moneybarn plc were parties to an all sums debenture cross guarantee for all liabilities arising under the finance agreements (notes 14 and 15).

27. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £63,292 (2012: £59,736).

28. Operating lease commitments

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2013	2012	2013	2012
Group	£	£	£	£
Expiry date:				
Within 1 year	-	-	-	3,163
Between 2 and 5 years	-	-	10,718	9,032
After more than 5 years	247,500	92,500	-	-

Notes to the Financial Statements
For the year ended 31 December 2013

29. Related party transactions

During the year the group incurred the following net expenditures:

Payments totalling £7,974 (2012: £2,208) were made to Lowell Limited, a business of which E J A fforde was the proprietor, for services provided to the company by Mr fforde. No balance was outstanding at the balance sheet date.

Sales of £1,930 (2012: £Nil) and purchases of £33,198 (2012: £44,797) were made to/from Dunsfold Securities Limited, a company of which O D Harris was the sole director. No balance was outstanding at the balance sheet date.

Payments totalling £52,500 (2012: £52,500) were made to Pterodactyl Properties, a company under the control of P Minter, D A Hoare and E J A fforde, for rental of Wenham Manor Barn. No balance was outstanding at the balance sheet date.

Payments totalling £33,988 (2012: £34,372) were made to Talisman, a business of which D A Hoare was the proprietor, for services provided to the company by Mr Hoare. No balance was outstanding at the balance sheet date.

At the balance sheet date a sum of £3,979 (2012: £4,499) was due from Fludds of Petworth Limited. O D Harris, D A Hoare and E J A fforde are directors of Fludds of Petworth Limited. The balance has been fully provided.

The directors consider that all the transactions outlined above have been completed on an arm's length basis.

The company is exempt from disclosing transactions with wholly owned group companies under FRS 8.

30. Controlling party

The directors consider that there is no controlling related party of Duncton Group Limited.